

# Quarterly Report



Brenda Bufford, Acting Director

3rd. Quarter 2004, Report No. 41

July—September 2004

## California Partnership for Long-Term Care

[www.dhs.ca.gov/cpltc](http://www.dhs.ca.gov/cpltc)

### Participating Insurers

- Bankers Life and Casualty Company
- California Public Employees' Retirement System (PERS)
- GE Capital Assurance (formerly AMEX)
- John Hancock
- New York Life Insurance Company

### This Quarter

### To Date

### Applications Received:

3,434

87,730

### Applications Denied:

603

15,047

### Applications Pending & Withdrawn:

0

0

### Policies Purchased:

2,831

72,683

### Policies Dropped (voluntarily & for un- known reasons):

350

7,380

### Policies Not Taken Up: (dropped within 30 days of purchase)

221

4,094

### Total Policies In Force (Active):

2,260

61,173

### Number of Policyhold- ers Who Received Ser- vice Payments:

294

798

### Table of Contents

|             |  |               |
|-------------|--|---------------|
| <b>I</b>    | <b>Quarterly and Cumulative Statistics</b>       | <b>Pg 1-2</b> |
| <b>II</b>   | <b>Maximum Benefit Amounts Distribution</b>      | <b>Pg 2</b>   |
| <b>III</b>  | <b>Daily Benefits Distribution</b>               | <b>Pg 3</b>   |
| <b>IV</b>   | <b>Elimination Period Distribution</b>           | <b>Pg 4</b>   |
| <b>V</b>    | <b>Age of Policyholders</b>                      | <b>Pg 4</b>   |
| <b>VI</b>   | <b>Trends</b>                                    | <b>Pg 5</b>   |
| <b>VII</b>  | <b>Policyholders and Asset Protection Earned</b> | <b>Pg 6</b>   |
| <b>VIII</b> | <b>Service Utilization</b>                       | <b>Pg 7</b>   |

### I. Quarterly and Cumulative Statistics

#### Inquiries:

#### This Quarter

#### Cumulative

Number of Con-  
sumers Who  
Called Toll-Free

128

26,039  
(CARE445)

Website Visits

9,339

126,376

## I. Quarterly and Cumulative Statistics

| <u>Age:</u>        | <u>This Quarter</u> | <u>Cumulative</u> |
|--------------------|---------------------|-------------------|
| Median             | 57                  | 61                |
| Target Age (55-74) | 1,427 (63%)         | 42,898 (70%)      |
| Other Ages         | 833 (37%)           | 18,275 (30%)      |

### Gender:

|        |             |              |
|--------|-------------|--------------|
| Male   | 920 (41%)   | 25,008 (41%) |
| Female | 1,340 (59%) | 36,165 (59%) |

### Marital Status:

|             |             |              |
|-------------|-------------|--------------|
| Married     | 1,768 (78%) | 42,633 (70%) |
| Not Married | 491 (22%)   | 18,098 (30%) |
| Unknown     | 1 (< 1%)    | 442 ( 1%)    |

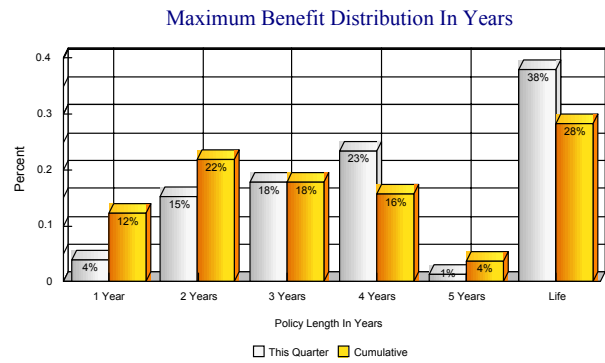
### Policy Type:

|               |             |              |
|---------------|-------------|--------------|
| Comprehensive | 2,241 (99%) | 57,884 (95%) |
| Nursing Home  | 19 ( 1%)    | 3,289 ( 5%)  |

### Purchase Type:

|                                |              |               |
|--------------------------------|--------------|---------------|
| First Time Purchase            | 2,120 (94%)  | 57,526 (94%)  |
| Upgrade                        | 21 ( 1%)     | 926 ( 2%)     |
| Replacement                    | 119 ( 5%)    | 2,713 ( 4%)   |
| Reinstatement                  | 0 ( 0%)      | 8 (<1%)       |
| Totals for each category above | 2,260 (100%) | 61,173 (100%) |

## II. Maximum Benefit Amounts Distribution



### Maximum Benefit (In years):

|                       | 1 Yr  | 2 Yr   | 3 Yr   | 4 Yr  | 5 Yr  | Life   | All    |
|-----------------------|-------|--------|--------|-------|-------|--------|--------|
| This Qtr. # Policies  | 89    | 348    | 406    | 528   | 31    | 858    | 2,260  |
| This Qtr. %           | 4%    | 15%    | 18%    | 24%   | 1%    | 38%    | 100%   |
| Cumulative # Policies | 7,479 | 13,430 | 10,929 | 9,633 | 2,348 | 17,354 | 61,173 |
| Cumulative %          | 12%   | 22%    | 18%    | 16%   | 4%    | 28%    | 100%   |

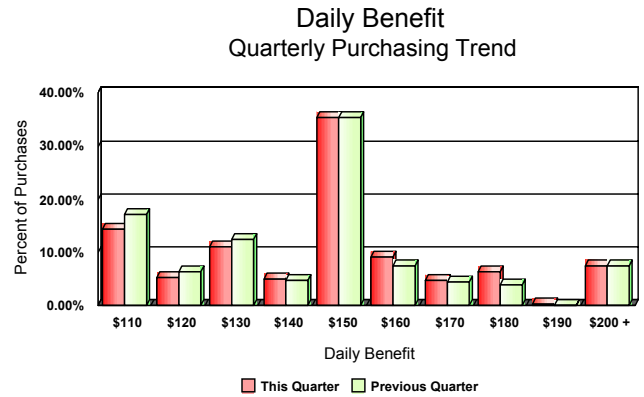
### Characteristics By Maximum Benefit In Years (This Quarter)

#### Characteristic:

|                      | 1 Yr | 2 Yr | 3 Yr | 4 Yr | 5 Yr | Life | All |
|----------------------|------|------|------|------|------|------|-----|
| Married              | 48%  | 73%  | 75%  | 83%  | 76%  | 82%  | 78% |
| Female               | 61%  | 58%  | 58%  | 59%  | 56%  | 59%  | 59% |
| Avg. Age             | 64   | 55   | 59   | 57   | 43   | 55   | 57  |
| Target Ages          | 71%  | 71%  | 72%  | 70%  | 59%  | 48%  | 63% |
| New Purchase         | 83%  | 92%  | 92%  | 96%  | 91%  | 96%  | 94% |
| Comprehensive Policy | 97%  | 99%  | 98%  | 100% | 87%  | 99%  | 99% |

### III. Daily Benefit Distribution

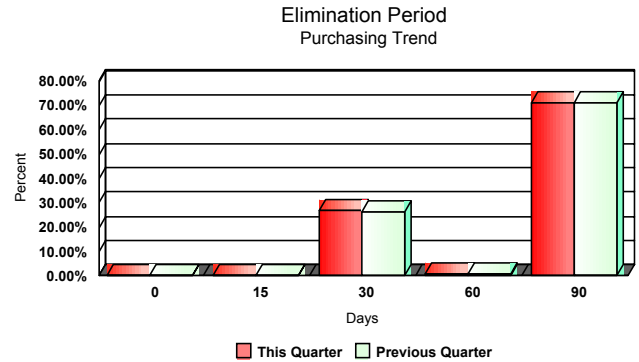
| Daily Benefit | This Quarter  | Previous Quarter |
|---------------|---------------|------------------|
| \$110         | 330 ( 14.6 %) | ( 17.27)         |
| \$120         | 121 ( 5.37%)  | ( 6.37%)         |
| \$130         | 251 (11.1 %)  | (12.43%)         |
| \$140         | 115 ( 5.09%)  | ( 4.75%)         |
| \$150         | 803 (35.5 %)  | (35.5 %)         |
| \$160         | 211 ( 9.35%)  | ( 7.5% )         |
| \$170         | 106 ( 4.7% )  | ( 4.45%)         |
| \$180         | 145 ( 6.41%)  | ( 4.01%)         |
| \$190         | 7 ( 0.32%)    | ( 0.13%)         |
| \$200 or More | 171 ( 7.56%)  | ( 7.58%)         |



## IV. Elimination Period Distribution

(at time of purchase)

| Days | This Quarter | Previous Quarter |
|------|--------------|------------------|
| 0    | 0.64%        | 0.57%            |
| 15   | 0.20%        | 0.52%            |
| 30   | 26.94%       | 26.56%           |
| 60   | 0.99%        | 1.00%            |
| 90   | 71.23%       | 71.35%           |



## V. Age of Policyholders

(at time of purchase)

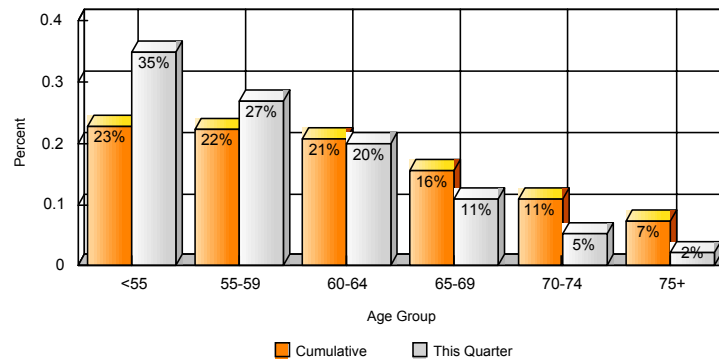
### Age Group:

|                              | <55    | 55-59  | 60-64  | 65-69 | 70-74 | 75+   | Total  |
|------------------------------|--------|--------|--------|-------|-------|-------|--------|
| <b>This Qtr. # Policies</b>  | 788    | 616    | 458    | 245   | 108   | 45    | 2,260  |
| <b>This Qtr. %</b>           | 35%    | 27%    | 20%    | 11%   | 5%    | 2%    | 100%   |
| <b>Cumulative # Policies</b> | 13,972 | 13,701 | 12,632 | 9,608 | 6,738 | 4,522 | 61,173 |
| <b>Cumulative %</b>          | 23%    | 22%    | 21%    | 16%   | 11%   | 7%    | 100%   |

NOTE: At times, the plotted percentages may not appear to agree with the table above due to rounding.

### Policyholders Age Distribution

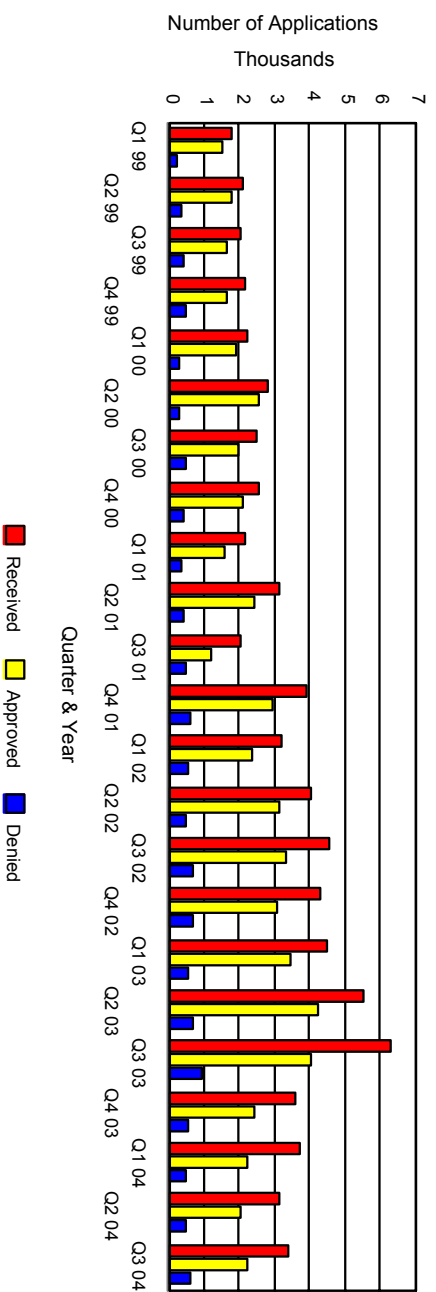
By Age Group



## VI. Trends

|          | 1999 |       |       |       | 2000  |       |       |       | 2001  |       |       |       | 2002  |       |       |       | 2003  |       |       |       | 2004  |       |       |       |       |       |       |       |
|----------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Quarter  | 1994 | 1995  | 1996  | 1997  | 1998  | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    |       |       |       |       |
| Received | 402  | 2,979 | 4,598 | 2,182 | 2,716 | 1,779 | 2,107 | 2,073 | 2,151 | 2,205 | 2,841 | 2,473 | 2,528 | 2,179 | 3,141 | 2,035 | 3,907 | 3,218 | 4,063 | 4,548 | 4,317 | 4,498 | 5,546 | 6,309 | 3,614 | 3,732 | 3,141 | 3,434 |
| Approved | 237  | 2,123 | 3,095 | 1,366 | 2,606 | 1,520 | 1,763 | 1,655 | 1,654 | 1,908 | 2,547 | 1,978 | 2,087 | 1,561 | 2,452 | 1,224 | 2,942 | 2,351 | 3,174 | 3,330 | 3,066 | 3,461 | 4,213 | 4,028 | 2,444 | 2,216 | 2,065 | 2,260 |
| Denied   | 60   | 713   | 1,039 | 809   | 631   | 259   | 344   | 418   | 497   | 287   | 294   | 495   | 441   | 387   | 437   | 473   | 645   | 529   | 497   | 693   | 686   | 558   | 705   | 960   | 582   | 500   | 505   | 603   |

### Trend In Applications Received, Approved, Denied By Quarter



Redesigned policies available as of the 4th quarter of 1998

## VII. Policyholders and Asset Protection Earned

|   | <u>This Quarter</u> | <u>Cumulative*</u> |
|---|---------------------|--------------------|
| Number of policyholders to date, who have qualified to receive benefit payments   | 45                  | 974                |
| Total asset protection earned by all policyholders who received benefits  | \$2,091,423         | \$21,686,740       |
| Number of policyholders currently in benefit/payments made  | 294                 | N/A                |
| Number of Policyholders that have exhausted benefits  | 7                   | 86                 |
| Total asset protection earned to date by policyholders that have exhausted benefits                                     | 565,968             | \$4,762,131        |
| Number of policyholders that died while in benefit  | 11                  | 305                |
| Total asset protection earned that will NOT be accessed due to policyholders demise while in benefit.                   | \$480,619           | \$4,315,761        |
| Number of policyholders who have exhausted their policy benefits and accessed Medicaid as of 9/30/2004                  | 0                   | 24                 |
| Asset protection earned by policyholders who have exhausted their policy benefits and accessed Medicaid as of 9/30/2004 | N/A                 | \$1,222,974        |

\*NOTE: Data is audited on an ongoing basis. For this reason, some cumulative figures may show adjustments made during the current quarter , that on the surface may not appear to consolidate with the previous quarter cumulative figures.

## VIII. Service Utilization

| <b>Type of Service<br/>(Other Than Care Management)</b> | <b>This Quarter, % of All Services<br/>Rendered to Policyholders In-<br/>Benefit (294) by Type of Service</b> | <b>*Cumulative % of All Services<br/>Rendered to All Policyholders (974)<br/>by Type of Service</b> |
|---|---|---|
| Skilled Nursing Facility                                | 8%  | 10%   |
| Assisted Living Facility/RCF                            | 25%   | 24%   |
| Other Alternative Housing                               | 3%  | 2%  |
| Home Health Aide Services                               | 11%   | 14%   |
| Adult Day Care (health & social)                        | 1%  | 1%  |
| Personal Care   | 20%   | 19%   |
| Chore Services  | 5%  | 2%  |
| Attendant Care  | 11%   | <1%   |
| DME   | 1%  | <1%   |
| Personal Emergency Response                             | 1%  | <1%   |
| Care Planning (benefit cost)                            | 6%  | 1%  |
| Coordination (benefit cost)                             | 3%  | 1%  |
| Monitoring (benefit cost)                               | 1%  | 1%  |

NOTE: services amounting to less than 1% usage during the quarter are excluded. Therefore, the percentages total may not equal 100%.

\*NOTE: A cumulative file audit revealed file extract errors yielding underestimations in the previous two quarters. Therefore, the present cumulative figures represent updated information.

---

| <b>Type of Care Management Service<br/>(Administrative Costs)</b> | <b>This Quarter, % of All Services<br/>Rendered to Policyholders In-<br/>Benefit (294) by Type of Service</b> | <b>Cumulative % of All Services Ren-<br/>dered to All Policyholders (974) by<br/>Type of Service</b> |
|---|---|--|
| Assessment & Care Planning  | 43%   | 9%   |
| Care Planning Only  | 7%  | 8%   |
| Coordination, Monitoring, Reassessment                            | 3%  | <1%  |
| Coordination Only   | 5%  | 3%   |
| Case Management   | 1%  | <1%  |
| Monitoring Only   | 16%   | 54%  |
| OPS   | 2%  | <1%  |
| Reassessment Only   | 24%   | 16%  |

NOTE: Care Management Services (reported as administrative costs) amounting to less than 1% are excluded. Therefore, the percentages total may not equal 100%.

# The California Partnership for Long-Term Care 3rd. Quarter of 2004 Quarterly Report

---



California Partnership for Long-Term Care  
P.O.Box 997413  
Mailstop 4100  
Sacramento, CA 95899-7413

Visit the Partnership's Website at [www.dhs.ca.gov/cpltc](http://www.dhs.ca.gov/cpltc)